



EDP^{PLUS}



What is EDP^{Plus}?



Grant program providing a capital contribution (grant) for small businesses.

Designed to spur small business creation or expansion.

Supplements loan from member and equity from business owner.



EDP^{Plus} Eligibility Requirements:

- Referral from SBDC or similar entity
- EDP \$\$ to finance the loan portion
- Borrower must need additional capital to qualify for loan.
- Member institution's underwriting criteria



Program Limits

- Total funds for 2002: \$1,000,000
- Maximum EDP^{Plus} Contribution: Lesser of 15% of total project cost or \$25,000
- Member Institution Limits: \$100,000 in EDP^{Plus} funds



TOTAL PROJECT COST	\$100,000
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EDP Loan from Member Institution	\$ 70,000
(Up to 70% of total package)	

Borrower Contribution	\$15,000
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(At least 15% of total package)	
Subtotal	<hr/> \$ 85,000

EDP^{PLUS} Grant Infusion	\$15,000
(15% of total not to exceed \$25,000)	



Is it working?



- Program is new for 2002 (too new for thorough evaluation)
- \$40,000 funded - 2 projects
- 4 outstanding commitments - \$87,500
- Ongoing discussions with numerous SBDC's & business owners



Why EDP^{Plus}?



How did this program get created?

- Extensive research
 - Member institutions
 - SBDC's
 - Community groups
 - Chambers of Commerce
 - Economic development corporations



Research findings:

- Start-up/growth of small businesses dependent on external sources of funds
- Member institutions look to minimize risk when financing business start up/expansion
- Additional funds to supplement owner's funds will impact business success



What have we learned?



Continuing need for:

- Member Education
- Small Business Development Center education
- Evaluation of program parameters
 - May need “tweaking” to maximize impact

Although program appears to meet needs, it is too new to evaluate its success